

**FINAL REPORT  
OF THE  
COMMITTEE ON CHILD CARE**



**Indiana Legislative Services Agency  
200 W. Washington Street, Suite 301  
Indianapolis, Indiana 46204**

**October, 2006**

# INDIANA LEGISLATIVE COUNCIL

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# **COMMITTEE ON CHILD CARE**

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### **Staff**

**Ann Naughton**  
**Attorney for the Committee**

**Sarah Brooks**  
**Fiscal Analyst for the Committee**

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.in.gov/legislative/>.

## **I. STATUTORY DIRECTIVE**

The Indiana General Assembly enacted IC 12-17.2-3.2 directing the Committee to do the following:

- (a) Study the system of child care regulation, including consideration of the following:
  - (1) The effect of child care and child care regulation on families.
  - (2) Encouragement of high quality child care through committee assessment and recommendation of nationally recognized child care provider quality accreditation organizations.
  - (3) A review of child care models from other states.
  - (4) Ensuring the safety of the child.
  - (5) Any need for reorganization and refocusing of governmental agencies responsible for regulation of child care.
  - (6) Parental rights.
- (b) Make recommendations to the Legislative Council concerning the system of child care regulation:
  - (1) including recommendations concerning:
    - (A) continued legislative monitoring of child care regulation by the committee or another legislative committee; and
    - (B) any amendment to the system of child care regulation that the committee determines is necessary; and
  - (2) to further the following child care regulation purposes:
    - (A) Provide support for families in need of reliable, high quality child care.
    - (B) Encourage and support high quality child care providers.
    - (C) Allow for a variety of methods of child care provision and allow each family to determine the method preferred for the family's children.
    - (D) Access available and affordable child care by parents.
    - (E) Encourage the state to access all available federal funds for child care.

## **II. INTRODUCTION AND REASONS FOR STUDY**

Current Indiana law provides for licensure and registration of various types of child care providers, including child care homes, child care centers, and child care ministries. Licensure and registration are not required for certain child care homes. Other requirements apply to child care providers that receive payment for child care under the federal Child Care and Development Fund program administered under 45 CFR 98 and 45 CFR 99, regardless of licensure or registration.

The Committee was formed to further the statutory purpose of supporting quality child care and assisting families by improving access and choice of child care providers. The Committee replaced the Board for the Coordination of Child Care Regulation established by P.L. 211-1999, SEC. 3.

### **III. SUMMARY OF WORK PROGRAM**

The Committee met three times during the 2006 interim.

#### ***First Meeting***

The first meeting of the Committee was held on September 19, 2006. The Committee considered testimony concerning the following:

- (a) Review of the Committee's program of study based on recommendations from the Committee's 2005 Final Report.
- (b) Updates from the Division of Family Resources concerning issues identified in the Committee's 2005 Final Report for followup during the 2006 interim.
- (c) The effect on child care centers of preschools located in public school buildings.

#### ***Second Meeting***

The second meeting of the Committee was held on October 10, 2006. The Committee considered testimony concerning the following:

- (a) Updates related to previous testimony from the Division of Family Resources.
- (b) A child care quality rating system under development by the Division of Family Resources.
- (c) Report concerning "Working in Child Care in Indiana".
- (d) Report concerning "Economic Dimensions of Child Care Public Awareness Campaign".

#### ***Third Meeting***

The third meeting of the Committee was held on October 31, 2006. The Committee considered the following:

- (a) Preschools in public school buildings.
- (b) Proposed legislation.
- (c) The final report of the Committee.

### **IV. SUMMARY OF TESTIMONY**

The Committee heard testimony from representatives of the following groups:

- (a) Division of Family Resources, Indiana Family and Social Services Administration.
- (b) Indiana Association for the Education of Young Children.
- (c) The Stein Group.
- (d) Early Childhood Center, Indiana Institute on Disability and Community.
- (e) Indiana Department of Education.
- (f) Early Childhood Alliance
- (g) Indiana Association for Child Care Resource and Referral
- (h) Early Childhood Centers, M.S.D. Lawrence Township
- (i) Other interested parties.

### ***Discussion of the Committee's Program of Study***

The recommendations for the Committee's program of study from the Committee's 2005 Final Report were reviewed.

### ***Issues Identified in the 2005 Final Report of the Committee for Followup During the 2006 Interim***

The Committee heard testimony and received printed information concerning activities of the Division of Family Resources and other organizations addressing the issues identified in the 2005 Final Report. The Committee raised additional questions and requested further information concerning the issues, which was provided.

### ***Effect on Child Care Centers of Preschools Located in Public School Buildings***

The Committee heard testimony expressing concerns regarding newly established preschools in public school buildings in Bloomington, Indiana. Additional questions were raised by the members for discussion at the third meeting concerning preschool regulation, elements of quality child care and preschool programs, and established preschool programs in public schools.

### ***Quality Rating System***

The Committee heard testimony concerning a child care quality rating system being developed by the Division of Family Resources. Information was also presented concerning the development and implementation of a child care quality rating pilot program in northeastern Indiana which used the "Foundations to the Indiana Academic Standards for Young Children", developed by the Department of Education, as a guide for educational quality components.

### ***"Working in Child Care in Indiana" Report***

The Committee heard testimony concerning the 2005 study of the child care workforce in Indiana, including results related to salary, education, longevity, and satisfaction.

### ***"Economic Dimensions of Child Care Public Awareness Campaign" Report***

The Committee heard testimony and received information concerning a series of meetings held throughout the state with local chambers of commerce, businesses, and child care providers concerning the relationship of child care to business and economic development.

Minutes of meetings of the Committee can be found at <http://www.in.gov/legislative/interim>

## **V. COMMITTEE FINDINGS AND RECOMMENDATIONS**

The Committee made the following findings of fact and recommendations:

### ***Discussion of the Committee's Program of Study***

The Committee finds that the Committee's recommendations for the program of study determined during the 2005 Interim have been addressed in part, including:

- (a) development of child care quality indicators and public quality rating incentives;

- (b) role and effect of competition in child care; and
- (c) availability of certain federal funding for incentives.

The Committee finds that: (1) other incentives, including tax incentives, tiered reimbursement, accreditation incentives, education incentives, licensure incentives; (2) child development associate credential requirements for licensure; and (3) issues regarding the role of grandparents as caregivers and alternative types of child care such as temporary or irregular child care; are issues about which continuing discussion and evaluation are necessary.

The Committee finds that, due to the societal and individual importance of child care, the need for continuity in oversight of child care policy, and the ongoing nature and breadth of the issues related to child care, a permanent statutory committee composed of members representing the various disciplines involved in the provision of child care in any type of child care facility is necessary to recommend and oversee public policy decisions concerning child care.

The Committee recommends that the General Assembly enact a permanent statutory child care committee to address the issues concerning all types of child care. The Committee adopted PD 3511, as amended, by unanimous voice vote for introduction during the 2007 session of the General Assembly.

Additionally, the Committee recommends that the Division of Family Resources invite representatives of organizations that provide statewide support for child care and education for children under twelve years of age to meetings of the advisory committees established under SECTION 1 of PD 3511, if enacted.

### ***Issues Identified in the 2005 Final Report of the Committee for Followup During the 2006 Interim***

The Committee finds that the issues identified for followup during the 2006 interim have been significantly addressed, including progress of the Division of Family Resources on the following:

- (a) adoption of child care home administrative rules;
- (b) development of a program of child care quality evaluation, including parent education, and consideration of differences between types of child care providers;
- (c) continued work concerning regulation and licensure of child care providers, including increased cooperation and communication between regulatory officials, child care providers, and parents, including complaint investigations.

The Committee recommends that the Division of Family Resources continue on its current course and report to the General Assembly as requested.

### ***Quality Rating System***

The Committee finds that a quality rating system is a valuable tool for assisting child care providers in improving their facilities and providing parents with a means of determining the best child care facility for their children.

The Committee recommends that the Division of Family Resources continue development of the quality rating system and that the Department of Education continue to provide assistance regarding educational components related to quality rating systems.

***"Working in Child Care in Indiana" Report***

The Committee finds that:

- (1) the importance of the quality of the child care workforce is not reflected in terms of compensation;
- (2) the child care workforce experiences relatively high turnover; and
- (3) the child care workforce generally receives compensation and benefits that are markedly lower than other workforces with comparable education and job responsibility.

The Committee recommends that PD 3511, as amended, including the: (1) expansion of the Committee's program of study to include consideration of issues related to the child care workforce; and (2) requirement that the Division of Family Resources establish child care advisory committees to advise the Division with regard to development and implementation of child care regulatory requirements; be introduced during the 2007 session of the General Assembly.

***"Economic Dimensions of Child Care Public Awareness Campaign" Report***

The Committee finds that additional information should be provided to the General Assembly, either to the Legislative Council or to a committee concerning child care if such a committee is reestablished during the 2007 session of the General Assembly, following completion of the campaign and report.

The Committee recommends that members of the General Assembly, the Division of Family Resources, and any other appropriate state agencies and private entities follow up on the final information provided concerning the report, as determined appropriate.

Additionally, the Committee recommends that public and private entities: (1) work together for promotion of a greater understanding of the importance of child care to economic development; and (2) work toward development of a reliable method of determining where and what type of child care providers are needed in Indiana based on where children in need of child care reside in Indiana.

***Effect on Child Care Centers of Preschools Located in Public School Buildings***

The Committee finds that: (1) there is not a sufficient statutory definition of "preschool" in Indiana law; and (2) the prevalence of preschools in Indiana should be evaluated.

The Committee recommends that the Committee on Child Care, if PD 3511 is enacted during the 2007 session of the General Assembly: (1) request a report during the 2007 Interim from the Indiana Institute on Disability and Community concerning the Institute's Fall, 2006, survey of preschools in Indiana; and (2) coordinate any recommendations made by the Committee concerning preschool with the Indiana Education Roundtable's P-16 Plan.



## WITNESS LIST

Anita Allison, Indiana Association for Child Care Resource and Referral  
Madeline Baker, Early Childhood Alliance  
Melanie Brizzi, Division of Family Resources, Family and Social Services Administration  
Sheron Cochran, Indiana Department of Education  
Michael Conn-Powers, Early Childhood Center, Indiana Institute on Disability and  
Community  
Jayma Ferguson McGann, Indiana Department of Education  
Amelia Galloway, Child care center director, Bloomington, Indiana  
Morton Marcus, Director Emeritus, Indiana Business Research Center, IU Kelley School  
of Business  
Tom Rayl, Abacus Child Care Centers  
Teresa Reidt, Early Childhood Alliance  
Denna Renbarger, Early Childhood Centers  
Mary Jane Scamahorn, Indiana Association of Licensed Child Care Centers  
Carole Stein, The Stein Group  
Marsha Thompson, Indiana Association for Child Care Resource  
and Referral  
Dianna Wallace, Indiana Association for the Education of Young Children  
Tracy Wells, The Stein Group